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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

July 2010 Grand Jury

11 CR 1952 JAH

UNITED STATES OF AMERICA,) Case No. 11 CR 1952 JAH
)
Plaintiff,) I N D I C T M E N T
)
v.) Title 18, U.S.C., Sec. 1349 -
KATHLEEN WURTS,) Conspiracy to Commit Mail, Wire,
Defendant.) and Bank Fraud; Title 18,
) U.S.C., Sec. 1341 - Mail Fraud;
) Title 18, U.S.C., Sec. 1343 -
) Wire Fraud; Title 18, U.S.C.,
) Sec. 1344 - Bank Fraud; Title 18,
) U.S.C., Sec. 1029(a)(2) - Access
) Device Fraud; Title 18, U.S.C.,
) Sec. 2 - Aiding and Abetting
)

)

The grand jury charges:

INTRODUCTORY ALLEGATIONS

At all times pertinent to this Indictment:

1. KATHLEEN WURTS resides in Escondido, California, which is in the Southern District of California.

2. The Internet is a global system of interconnected computer networks that use the standard Internet Protocol Suite (TCP/IP) to serve billions of users worldwide.

3. Craigslist is a centralized network of online communities, featuring free online classified advertisements - with sections devoted to jobs, housing, personals, for sale, services, community, gigs, résumés, and discussion forums. Craigslist hosts its website on the Internet at <http://www.craigslist.com>.

1 4. Yahoo! Inc. is corporation that provides services via the
2 Internet, such as a web portal, search engine (Yahoo! Search), a
3 directory (Yahoo! Directory), email (Yahoo! Mail), chat rooms, news
4 (Yahoo! News), advertising, online mapping (Yahoo! Maps), video
5 sharing (Yahoo! Video), and social media websites and services.
6 Yahoo! Inc. hosts its website on the Internet at <http://www.yahoo.com>.

7 5. The United States Postal Service (USPS) is an independent
8 agency of the United States government responsible for providing
9 postal service in the United States.

10 6. "Click-N-Ship" is a service offered by USPS which allows
11 customers to create pre-paid shipping labels on standard printing
12 paper. This covers the postage due and includes a free delivery
13 confirmation number to show the date and time of delivery or an
14 attempted delivery. Minus the cost of postage, there is no fee for
15 users to create labels for Priority Mail, Express Mail, Global
16 Priority Mail or Global Express Mail. For both domestic and
17 international Priority Mail and Express Mail, postage offered through
18 Click-N-Ship is discounted from retail rates. Click-N-Ship is a
19 service available on USPS' website at <http://www.usps.com>.

20 7. Federal Express (FedEx) and United Parcel Service (UPS) are
21 interstate and international commercial carriers, with shipping
22 services available in San Diego and Escondido, California.

23 8. The Western Union Company (Western Union) is a financial
24 services and communications business that has a number of divisions,
25 with products such as person-to-person money transfer, money orders,
26 and commercial services. Western Union has locations in San Diego and
27 Escondido, California.

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1 9. MoneyGram International Inc. (MoneyGram) is a global money
2 transfer company that offers its services to consumers and businesses
3 through a network of agents and financial institution customers.
4 MoneyGram has locations in San Diego and Escondido, California.

5 10. An "access device" means any card, plate, code, account
6 number, electronic serial number, mobile identification number,
7 personal identification number, or other telecommunications service,
8 equipment or instrument identifier, or other means of account access
9 that can be used, alone or in conjunction with another access device,
10 to obtain money, goods, services, or any other thing of value, or that
11 can be used to initiate a transfer of funds (other than a transfer
12 originated solely by paper instrument), as defined in Title 18,
13 United States Code, Section 1029(e)(1).

14 11. An "unauthorized access device" means any access device that
15 is lost, stolen, expired, revoked, canceled, or obtained with intent
16 to defraud, as defined in Title 18, United States Code,
17 Section 1029(e)(3).

Count 1

CONSPIRACY TO COMMIT MAIL, WIRE, AND BANK FRAUD

[18 U.S.C. § 1349]

21 12. The allegations set forth in paragraphs 1 through 11 above
22 are realleged as if fully set forth herein.

The Conspiracy

24 13. Beginning on a date unknown to the grand jury, and
25 continuing through on or about at least April 2010, within the
26 Southern District of California, and elsewhere, defendant KATHLEEN
27 WURTS (hereinafter referred to as "defendant WURTS"), did knowingly
28 and intentionally conspire with others known and unknown to the grand

1 jury to commit offenses against the United States, that is to
2 knowingly devise a material scheme and artifice to defraud and to
3 obtain money and property by means of materially false and fraudulent
4 pretenses, representations and promises, and by intentional
5 concealment and omission of material facts, and in executing said
6 scheme, deposited and caused to be deposited matters and things to be
7 sent and delivered by the United States Postal Service and private and
8 commercial interstate carriers, and caused matters and things to be
9 delivered by the United States Postal Service and private and
10 commercial interstate carriers according to the direction thereon, and
11 caused writings, signs, signals, and sounds to be transmitted by means
12 of wire in interstate commerce, and caused to be drafted and
13 transacted checks drawn on an account at a financial institution in
14 order to obtain any of the moneys, funds, credits, assets, securities
15 and other property owned by, or under the custody or control of, a
16 financial institution by means of false and fraudulent pretenses,
17 representations, and promises; in violation of Title 18, United States
18 Code, Sections 1341, 1343, and 1344.

19 14. It was part of the conspiracy that defendant WURTS and
20 others used the Internet to defraud victims who were seeking
21 employment, to purchase and sell items, to rent real property, and to
22 purchase real property. In order to further the conspiracy, defendant
23 WURTS and others used websites such as craigslist.com and yahoo.com
24 to target their victims.

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1 15. It was a further part of the conspiracy that defendant WURTS
2 and others developed a scheme and artifice to defraud as to material
3 matters and to obtain money by means of materially false pretenses,
4 representations, and promises that defendant WURTS, acting with the
5 intent to defraud, did the following:

6 a. that defendant WURTS used, among other things, her
7 computers and computer equipment at her residence in the Southern
8 District of California to carry out the scheme described herein.

9 b. that defendant WURTS communicated by instant message,
10 email, and other electronic means with individuals she knew as:
11 "Samuel James" or "ChillyJames" (James), "Julie Hopper" (Hopper),
12 "David Milligan" (Milligan), "Michael Gray" (Gray), and "David Smith"
13 (Smith);

14 c. that defendant WURTS received by USPS, FedEx, UPS, and
15 by other means, from various countries, including Nigeria, Abu Dhabi,
16 and the United Kingdom, counterfeit money orders and travelers'
17 cheques;

18 d. that defendant WURTS communicated with James, Hopper,
19 Milligan, Gray, Smith, and others, by email, instant message, and
20 other means, and received name lists, addresses, bank account numbers,
21 credit card numbers, and other information, that defendant WURTS used
22 to fill out the counterfeit money orders and counterfeit travelers'
23 cheques, and to create fraudulent checks;

24 e. that defendant WURTS communicated with James, Hopper,
25 Milligan, Gray, Smith, and others, by email, instant message, and
26 other means, and received directions and shipping instructions from
27 James, Hopper, Milligan, Gray, Smith, and others to send the
28 counterfeit money orders, fraudulent checks, and counterfeit

1 travelers' cheques to potential victims throughout the United States,
2 Canada, and elsewhere.

3 f. that defendant WURTS purchased a check-writing software
4 program, loaded the software program on her computers, and used the
5 software to create fraudulent checks as part of the scheme to defraud;

6 g. that defendant WURTS used stolen bank account numbers
7 sent to her by email to fill in the bank account information on the
8 fraudulent checks;

9 h. that defendant WURTS opened up online accounts with
10 Click-N-Ship using stolen identities and used stolen credit card
11 numbers without the owners' consent or authorization to purchase
12 postage and print shipping labels through Click-N-Ship.

13 i. that defendant WURTS used USPS, FedEx, and UPS, and
14 other means, to mail out packages containing the counterfeit money
15 orders, fraudulent checks, and counterfeit travelers' cheques to the
16 victims of the fraud who responded to online postings on websites such
17 as craigslist.com and yahoo.com.

18 16. It was a further part of the conspiracy that defendant WURTS
19 and others would communicate with potential victims and send materials
20 and money to these victims through the mails and wires;

21 17. It was a further part of the conspiracy that defendant WURTS
22 would and did receive payment through money transfer companies,
23 including Western Union and MoneyGram, for her role in the conspiracy.

24 18. It was a further part of the conspiracy that defendant WURTS
25 would and did wire transfer payments to James and others from the
26 United States to Nigeria, through Western Union and MoneyGram.

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1 19. It was a further part of the conspiracy that defendant WURTS
2 committed all of the acts described above and carried out the scheme
3 to defraud despite making false statements to federal agents and
4 receiving warnings from federal agents that she was engaged in fraud.

5 20. It was a further part of the conspiracy that defendant WURTS
6 and others intended to cause and caused the victims of the scheme to
7 defraud to lose money and property.

8 21. It was a further part of the conspiracy that defendant WURTS
9 and others would and did convert to their own personal use and benefit
10 a portion of the funds received from the scheme to defraud.

11 All in violation of Title 18, United States Code, Section 1349.

12 Counts 2 - 9

13 MAIL FRAUD

14 [18 U.S.C. § 1341]

15 22. The allegations set forth in paragraphs 1 through 11 and 14
16 through 21 above are realleged as if fully set forth herein.

17 23. Beginning on a date unknown to the grand jury, and
18 continuing up to and including at least April 2010, within the
19 Southern District of California, and elsewhere, defendant KATHLEEN
20 WURTS (hereinafter referred to as "defendant WURTS"), did devise and
21 intend to devise, with the intent to defraud, a scheme to defraud as
22 to material matters and to obtain money and property by means of
23 materially false and fraudulent pretenses, representations, and
24 promises, and by concealment and omission of material facts.

25 || The Mailings

26 24. On or about the dates set forth below (Column "A"), within
27 the Southern District of California and elsewhere, defendant KATHLEEN
28 WURTS, for the purpose of executing the aforesaid material scheme and

1 attempting to do so, knowingly caused to be placed in any post office
2 and authorized depository for mail matter any matter and thing
3 whatever to be sent and delivered by the United States Postal Service
4 and private and commercial interstate carriers, as more particularly
5 described below (Column "B"):

	"A"	"B"	
7	<u>Count</u>	<u>Date</u>	
		<u>Item</u>	
8	2	February 18, 2009	Package mailed from Nigeria and addressed to Kathleen Wurts in Escondido, California, containing counterfeit money orders, with a total value of approximately \$189,000
11	3	March 29, 2009	Package mailed from Nigeria and addressed to Kathleen Wurts in Escondido, California, containing counterfeit money orders, with a total value of approximately \$186,000
14	4	September 23, 2009	Package mailed by Kathleen Wurts to Shannon Farner, containing a fraudulent check for \$2,450
16	5	October 6, 2009	Package mailed by Kathleen Wurts to James Huang, containing a fraudulent check for \$3,850
18	6	November 5, 2009	Package mailed by Kathleen Wurts to Marisela Aguilar, containing a fraudulent check for \$2,550
20	7	November 12, 2009	Package mailed by Kathleen Wurts to Sharon Vizcaya, containing a fraudulent check for \$2,550
22	8	December 20, 2009	Package mailed by Kathleen Wurts to Tracy Beasley, containing a fraudulent check for \$2,565.55
23	9	March 12, 2010	Package mailed from Abu Dhabi and addressed to Kathleen Wurts in Escondido, California, containing counterfeit American Express travelers' cheques, with a total value of approximately \$303,000

27 All in violation of Title 18, United States Code, Sections 1341 and 2.

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Counts 10 - 13

WIRE FRAUD

[18 U.S.C. § 1343]

4 25. The allegations set forth in paragraphs 1 through 11 and
5 14 through 21 above are realleged as if fully set forth herein.

6 26. Beginning on a date unknown to the grand jury, and
7 continuing up to and including at least April 2010, within the
8 Southern District of California, and elsewhere, defendant KATHLEEN
9 WURTS (hereinafter referred to as "defendant WURTS"), did devise and
10 intend to devise, with the intent to defraud, a scheme to defraud as
11 to material matters and to obtain money and property by means of
12 materially false and fraudulent pretenses, representations, and
13 promises, and by concealment and omission of material facts.

The Wires

15 27. On or about the dates set forth below (Column "A"), within
16 the Southern District of California and elsewhere, defendant KATHLEEN
17 WURTS, for the purpose of executing the aforesaid material scheme and
18 attempting to do so, knowingly caused writings, signs, signals, and
19 sounds to be transmitted by means of wire in interstate commerce, as
20 more particularly described below (Column "B"):

	"A"	"B"
21		
22	<u>Count</u>	<u>Date</u>
23	10	July 23, 2006
24		Western Union wire transfer from Escondido, CA to Lagos, Nigeria, in the amount of \$2,500.00.
25	11	July 31, 2006
26		Western Union wire transfer from Escondido, CA to Iso La, Nigeria, in the amount of \$2,850.00.
27	12	August 22, 2007
28		Western Union wire transfer from Escondido, CA to Ikeja, Nigeria, in the amount of \$2,821.00.

4 All in violation of Title 18, United States Code, Sections 1343 and 2.

Count 14

BANK FRAUD

[18 U.S.C. § 1344]

8 28. The allegations set forth in paragraphs 1 through 11 and
9 14 through 21 above are realleged as if fully set forth herein.

10 29. On or about March 6, 2009, within the Southern District of
11 California and elsewhere, defendant KATHLEEN WURTS (hereinafter
12 referred to as "defendant WURTS"), did knowingly execute and attempt
13 to execute a scheme and artifice, with the intent to defraud, and
14 obtain money and funds owned by or under the custody and control of
15 Prosperity Bank, a federally insured financial institution, by means
16 of material and false and fraudulent pretenses, representations and
17 promises, to wit, defendant WURTS drafted, and caused to be drafted,
18 and transacted, and caused to be transacted, checks drawn on the
19 accounts of Prosperity Bank, which she then and there well knew were
20 not authorized and were not issued for the benefit of the account
21 holder, and thereby unlawfully obtained money and funds under the
22 custody and control of Prosperity Bank; all in violation of Title 18,
23 United States Code, Sections 1344 and 2.

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Count 15

BANK FRAUD

[18 U.S.C. § 1344]

4 30. The allegations set forth in paragraphs 1 through 11 and
5 14 through 21 above are realleged as if fully set forth herein.

6 31. On or about September 17, 2009, within the Southern District
7 of California and elsewhere, defendant KATHLEEN WURTS (hereinafter
8 referred to as "defendant WURTS"), did knowingly execute and attempt
9 to execute a scheme and artifice, with the intent to defraud, and
10 obtain money and funds owned by or under the custody and control of
11 Prosperity Bank, federally insured financial institution, by means of
12 material and false and fraudulent pretenses, representations and
13 promises, to wit, defendant WURTS drafted, and caused to be drafted,
14 and transacted, and caused to be transacted, checks drawn on the
15 accounts of Prosperity Bank, which she then and there well knew were
16 not authorized and were not issued for the benefit of the account
17 holder, and thereby unlawfully obtained money and funds under the
18 custody and control of Prosperity Bank; all in violation of Title 18,
19 United States Code, Sections 1344 and 2.

Counts 16 - 17

ACCESS DEVICE FRAUD

[18 U.S.C. § 1029(a)(2)]

23 32. The allegations set forth in paragraphs 1 through 11 and
24 14 through 21 above are realleged as if fully set forth herein.

25 33. That on or about the dates set forth below (Column "A"), and
26 continuing thereafter until on or about the dates set forth below
27 (Column "B"), within the Southern District of California and
28 elsewhere, defendant KATHLEEN WURTS (hereinafter referred to as

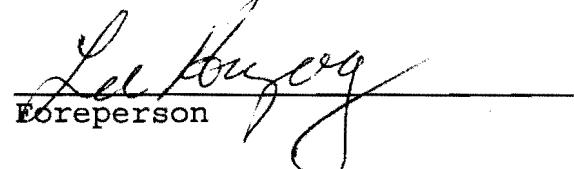
1 "defendant WURTS") did knowingly and with the intent to defraud, use
2 one or more unauthorized access devices during any one year time
3 period of the Indictment, and by such conduct obtained goods,
4 services, and other things of value in excess of \$1,000, that is, the
5 defendant WURTS, unlawfully, and beyond her authorization, applied
6 for, and used, credit cards using the name and personal information
7 of the persons set forth below (Columns "C" and "D"), to obtain money
8 and property for her own personal benefit and enrichment:

	"A"	"B"	"C"	"D"
Count	<u>Beginning Date</u>	<u>Ending Date</u>	<u>Credit Card Owner's Initials</u>	<u>Credit Card Information</u>
16	January 28, 2009	March 13, 2009	P.L.	Visa card ending 5720
17	October 6, 2009	October 15, 2009	A.R.	MasterCard ending 9580

15 All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

16 DATED: May 17, 2011.

17 A TRUE BILL:

18 
19 Foreperson

20 LAURA E. DUFFY
21 United States Attorney

22 By: 
23 JOSEPH ORABONA
24 Assistant U.S. Attorney

25 By: 
26 ANNALOU TIROL
27 Assistant U.S. Attorney

28